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IN THE

Supreme Court of the United States

October Term, 1975

No. 75-156

DALLAS CAP & EMBLEM MFG., INC.,

Petitioner,

v.

BOSTON PROFESSIONAL HOCKEY ASSOCIATION, INC., NIAGARA FRONTIER HOCKEY CORP., CHARLES O. FINLEY & COMPANY, INC., CHICAGO BLACKHAWK HOCKEY TEAM, INC., THE DETROIT HOCKEY CLUB, INC., CALIFORNIA SPORTS INCORPORATED, NORTHSTAR FINANCIAL CORPORATION, MADISON SQUARE GARDEN CORPORATION, THE PHILADELPHIA HOCKEY CLUB, INC., PITTSBURGH PENGUIN PARTNERS, MISSOURI ARENA CORPORATION, MAPLE LEAF GARDENS LIMITED, MEDICAL INVESTMENT CORPORATION and NATIONAL HOCKEY LEAGUE,

Respondents.

BRIEF IN OPPOSITION TO PETITION FOR CERTIORARI

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Questions Presented

1. Does failure to copyright symbols which are used and registered as trademarks preclude the limited protection of such symbols afforded by the trademark statutes of the United States? (Pet. Questions 1, 2.)

2. If certiorari is granted, and if it is determined that the 1962 amendment to Title 15, Section 1114(1) of the United States Code made no substantive change in the law, was the Court of Appeals bound by the "clearly erroneous" standard of Fed. R. Civ. P. 52(a) with respect to findings of fact in reviewing the District Court's conclusion that in light of the undisputed facts there was no likelihood of confusion, mistake or deception within the meaning of the trademark statutes of the United States? (See Pet. Questions 3, 4.)

3. Is the Trial Court's determination of unfair competition, which was not appealed to the Court below, of sufficient importance to justify review by this Court? (Pet. Question 5.)

Statement of the Case

Respondent National Hockey League ("NHL") now consists of eighteen professional ice hockey teams representing as many areas in the United States and Canada. Each NHL team plays a schedule of games against other NHL teams each ice hockey season. Each NHL team (but two) has adopted a distinctive symbol which it wears emblazoned on the chest of its uniform jersey during these games.[1]

The exposure of these symbols is enormous. Such symbols are perforce seen repeatedly by the more than nine million spectators who attend NHL games each season;[2] they are seen repeatedly in magazines and newspapers,[3]

1. Tr. 24.
2. Tr. 25.
3. Tr. 35-39, PX 7.

and on network and local telecasts of hundreds of NHL games reaching (in the case of network telecasts) millions of viewers;[4] and the symbols are publicized extensively in connection with the NHL and its teams in game programs,[5] in publications sold through tens of thousands of news dealers,[6] and by means of a wide variety of hockey-related products authorized pursuant to licensing agreements.[7]

Included among such authorized products are embroidered emblems of the NHL team symbols—cloth patches onto which the symbols are sewn by colored thread; some individual teams sell such emblems directly through concessions and mail order,[8] and in the spring of 1972, an authorized promotion of the sale of such emblems was advertised in fifty million bags of candy.[9]

It was pleaded and admitted that the NHL and its teams "have invested great amounts of time, money and other resources to publicize * * * and to foster [the team symbols'] value as a means of identifying * * * hockey teams" and that the symbols have consequently "come to gain great value and good will in connection with ice hockey enterprises."[10]

Petitioner Dallas Cap & Emblem Mfg., Inc. ("Dallas") manufactures embroidered emblems. Both in 1968[11] and

4. Tr. 25, 31-33, PX 6.
5. Tr. 28-31, PX 5.
6. Tr. 27, PX 5.
7. Tr. 45-47, see PX 8.
8. Tr. 183.
9. Tr. 56-57, PX 2.
10. Compl. par. 40, Answer par. 5.
11. Compl. par. 42, Answer par. 6.

1971, Dallas unsuccessfully negotiated for authorization to make embroidered emblems of the NHL team symbols. During the course of the 1971 negotiations, Dallas wrote:

> "If we were authorized to be *exclusive* manufacturer of all National Hockey League emblems sold for the period of three years, we would guarantee $25,000 and would pay 10% Royalty against the guarantee on all emblems sold. *This would make us the sole authorized manufacturer of National Hockey League emblems and entitle us to the leagues [sic!] protection against any other manufacturer who might infringe on these rights.*" (Emphasis added.)[12]

Dallas has in the past negotiated for and obtained rights to manufacture embroidered emblems of (uncopyrighted) Major League Baseball team symbols and of certain (copyrighted) cartoon characters.[13] Having failed to obtain authorization to make emblems of the NHL team symbols, it made and sold them anyway. Initially, such emblems were sold through sporting goods stores;[14] on trial, Dallas conceded that "* * * the public would know what *team's emblem* they were purchasing." (Emphasis added.)[15]

Faced with the untenable commercial situation in which the unsuccessful bidder manufactured and sold the product he had sought and was refused a license to make, the NHL and thirteen (of its then 14) teams commenced this suit in the United States District Court for the Northern District of Texas. Injunctive relief and damages were sought for:

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12. P. Req. Admission 30, XD; admitted.

13. Tr. 151-52.

14. Tr. 152.

15. Def.'s Trial Br. pp. 12, 13.

First, infringement of the service mark registrations[16] for professional ice hockey contests by twelve teams of their distinctive symbols (two had also been registered for related goods including, in one case, emblems for wearing apparel);

Second, false designation of origin under 15 U.S.C. §1125(a) with respect to the distinctive symbols of all thirteen teams; and

Third, common law unfair competition.

The Trial Court denied relief on the first and second claims, but granted it with respect to the third, holding such unfair competition could be cured by a disclaimer of authority attached to the Dallas emblems of the NHL team symbols.

The NHL and NHL teams appealed the ruling as to the first two claims, and as to the adequacy of the remedy of disclaimer. Dallas did not appeal the ruling of unfair competition.

On appeal, the decision of the Trial Court was reversed as to its determination of no trademark infringement, no false designation of origin, and adequacy of the remedy of disclaimer to cure unfair competition; the Trial Court's ruling of unfair competition, not having been appealed, was left undisturbed.

16. "Service marks" are marks "used in connection with the sale or advertising of services to identify the services of one person and distinguish them from the services of others." 15 U.S.C. §1127. Technically, "trademarks" are applied only to goods. Both technical "trademarks" and "service marks" are generically referred to as "trademarks," a custom followed by both Courts below and throughout this Brief. Both are registered in the same manner and are subject to the same protection. 15 U.S.C. §1053.

Throughout the Petition, two factual themes are stressed, one of which is correct but irrelevant, the other of which is incorrect, and perhaps also irrelevant.

The theme that is correct is that the NHL teams never copyrighted their trademarks—their distinctive team symbols. However, Dallas has been neither accused of, nor found liable for, infringing any copyrights, so that point is hardly significant. What Dallas was charged with was selling goods in connection with the trademarks of the NHL teams in a manner likely to cause confusion, mistake or deception among consumers with respect to the relationship of such goods to the NHL teams.

The theme that is incorrect is that "the only item being manufactured or sold [by Dallas] is the mark itself" (Pet. p. 11). That claim has some seductive surface plausibility, but is not correct. There are trademarks, and there are products, and they are not the same thing. This was plainly, and persuasively, demonstrated in the decision below.

> "Defendant [Dallas] is in the business of manufacturing and marketing emblems for wearing apparel. These emblems are the products, or goods, which defendant sells. When defendant causes plaintiff's marks to be embroidered upon emblems which it later markets, defendant uses those marks in connection with the sale of goods as surely as if defendant had embroidered the marks upon knit caps. * * * The fact that the symbol covers the entire face of defendant's product does not alter the fact that the trademark symbol is used in connection with the sale of the product. * * * Were defendant to embroider the same fabric with the same thread in other designs, the resulting products would still be emblems for wearing apparel but they would not give trademark identification to the customer." Pet. pp. A-9, 10.

ARGUMENT

I

The decision below is not in conflict with any prior decision of this Court.

Petitioner's foremost argument is that the decision below is in conflict "in principle" with this Court's *Sears* and *Compco* decisions.[17] What *Sears* and *Compco* held was that the copying of unpatented (and unpatentable) designs of utilitarian articles could not be prohibited by the common law of unfair competition because such a prohibition would remove from the public domain that which Congress had consigned to it by legislating standards for patentability. Even assuming the principle is equally applicable to uncopyrighted (or uncopyrightable) work,[18] it still has no applicability here; for it is not any state law of unfair competition Dallas ran afoul of below, but rather Congressionally enacted statutes. Neither in principle nor by implication did *Sears* and *Compco* abrogate the Lanham Act, upon which the decision below is expressly grounded.

Moreover neither the Lanham Act nor the decision below removes the NHL team symbols from the "public domain" as it was envisioned in *Sears* and *Compco*. The NHL and its teams do not claim, and the Court below did not uphold, the right to prohibit all use of their trademarks. Publishers may and do reproduce them for purposes of reporting on

17. Sears Roebuck & Co. v. Stiffel Co., 376 U.S. 225 (1964); Compco Corp. v. Day-Brite Lighting, Inc., 376 U.S. 234 (1964).

18. But see Goldstein v. California, 412 U.S. 546 (1973), reh. denied 414 U.S. 883 (1973).

sports. Fans may knit, paint or print replicas of the marks for their own use. A publisher could use, for example, the Chicago BLACK HAWKS' Indian Head symbol as an illustration in a book about Indians, provided there is no indicia of approval by or connection with the Chicago club. One or more symbols could, in theory at least, be used even as trademarks for products with no likely consumer association with ice hockey (though the distinctiveness and fame of the marks would appear to make this a very limited range of products, because the overlap of hockey enthusiasts who would immediately recognize the symbol and consumers of virtually all products is probably substantial).

What one cannot do with another's trademark is use it in association with merchandise in such a manner that the public would be likely to associate the merchandise with the trademark owner or his reputation or good will. That is what Dallas did, was accused of doing, and was held to be doing—using the marks for the purpose of inducing consumers to buy its product because of the reputation and good will of the NHL teams symbolized by their trademarks.

Embroidered emblems of symbols of professional sports teams, which as a matter of public knowledge have immense and often fanatical followings, are the sort of merchandise such teams often sponsor, authorize and sell as an adjunct to their team activities. Indeed, some of the NHL teams do precisely that.

While the Court below characterized the case as one of "first i ression" (which in a sense all cases are), and it may have been when written, it was not by the time the

decision below issued. *National Football League Properties, Inc.* v. *Consumer Enterprises, Inc.*, —— Ill. App. 3d ——, 327 N.E.2d 242 (1975) and *National Football League Properties, Inc.* v. *Dallas Cap & Emblem Mfg., Inc.*, —— Ill. App. 3d ——, 327 N.E.2d 247 (1975), reached the same result a few days earlier with respect to National Football League symbols and embroidered emblems for similar reasons, albeit under State rather than Federal law. Both decisions rejected the reasoning and conclusions of the Trial Court in this case.

Moreover, *Boston Professional Hockey Association, Inc.* v. *Reliable Knitting Works, Inc.*, 178 U.S.P.Q. 274 (E.D. Wis. 1973) reached the same result with respect to knitted caps bearing one NHL team's name and symbol.

Other cases reach analogous results. In *Aurora Products Corp.* v. *Schisgall Enterprises, Inc.*, 176 U.S.P.Q. 184 (S.D.N.Y. 1972) the licensee of the mark MONDAY NIGHT FOOTBALL for tabletop football games, which title had been used for a series of televised football games, enjoined use of the mark by a competitor. *John Roberts Manufacturing Company* v. *University of Notre Dame Du-Lac*, 258 F.2d 256 (7th Cir. 1958) prohibited the unauthorized sale of rings bearing the seal of the University of Notre Dame. *Wyatt Earp Enterprises, Inc.* v. *Sackman*, 157 F. Supp. 621 (S.D.N.Y. 1958) prohibited the unauthorized manufacture of Wyatt Earp children's play suits at the behest of the producers of the popular Wyatt Earp television series. The Court's reasoning strongly supports Respondents' position in this case.

Regardless of whether the NHL teams had made embroidered emblems of their famous symbols prior to Dal-

las' entry into the market, this case falls squarely within a decades old line of cases prohibiting the appropriation of famous and distinctive marks for different products.[19] That Dallas was in fact competing with the NHL teams in the sale of emblems of NHL team symbols only makes this decision more clearly correct.

The reason Petitioner cites no cases to support its unique view of the law is that there are none.

The decision below, then, is but one more step on a well-trodden path, the direction of which no more requires this Court's attention now than it has in the past. The only significant differentiating element of this case is Petitioner's novel, but spurious, claim that what has not been coprighted—and few if any trademarks are—may not be subject to protection under Federal Trademark laws.

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19. See *Wall* v. *Rolls-Royce of America, Inc.*, 4 F.2d 333 (3d Cir. 1925) involving ROLLS-ROYCE automobiles and mail order radio tubes; *L. E. Waterman Co.* v. *Gordon*, 72 F.2d 272 (2d Cir. 1934) involving WATERMAN fountain pens and razor blades; *Bulova Watch Co.* v. *Stolzberg*, 69 F.Supp. 543 (D. Mass. 1947) involving BULOVA watches and shoes; *Chemical Corp. of America* v. *Anheuser-Busch, Inc.*, 306 F.2d 433 (5th Cir. 1962), *cert. denied* 372 U.S. 965 (1963) involving similar slogans used for both beer and an insecticide-floor wax; *Bacardi & Company Limited* v. *Bacardi Manufacturing Jewelers, Inc.*, 475 F.2d 1406, *per curiam* decision reported at 177 U.S.P.Q. 558 (7th Cir. 1973) involving BACARDI rum and a wholesale jewelry repair and manufacturing business; and *HMH Publishing Co. Inc.* v. *Turbyfill*, 330 F.Supp. 830 (M.D. Fla. 1971) involving PLAYBOY magazine and movie theaters.

II

The Federal question of statutory interpretation is unimportant, was correctly decided, and would have been harmless error even if incorrectly decided.

Petitioner also urges that the Court below erred in holding that a 1962 amendment to the Lanham Act changed the law.

A. The effect of this amendment, which has but rarely been mentioned by Courts in the thirteen years since its enactment, can scarcely rank near the top of the hierarchy of matters deserving this Court's consideration.

B. Moreover, the decision of the Court below on the question is quite plainly correct. What the amendment (75 Stat. 748) did was eliminate the words italicized below from Section 32(1) of the Act, 15 U.S.C. §1114(1) (60 Stat. 427):

> "Any person who shall, without the consent of the registrant—
>
> (a) use in commerce any reproduction, counterfeit, copy, or colorable imitation of a registered mark in connection with the sale, offering for sale, distribution, or advertising of any goods or services on or in connection with which such use is likely to cause confusion, or to cause mistake, or to deceive *purchasers as to the source of origin of such goods or services* * * * shall be liable in a civil action by the registrant for the remedies hereinafter provided."

What the Court below held the amendment did was "eliminate source of origin as being the only focal point of confusion." Pet. p. A-11.

That is a straightforward reading of the amendment. Indeed, the same Court had earlier read it the same way, and another Court of Appeals had also. See *Continental Motors Corp.* v. *Continental Aviation Corp.*, 375 F.2d 857, 860 n.8 (5th Cir. 1967); *Syntex Laboratories, Inc.* v. *Norwich Pharmacal Co.*, 437 F.2d 566, 568 (2d Cir. 1971).

Petitioner argues that the Legislative History shows there was no intent to change the Act as the Court below perceived from its reading of the amendment. Petitioner is incorrect. Even were it not, intent could hardly override the plain change on the face of the statute.

It is true that the Legislative History does note, as Petitioner states (Pet. p. 19), that the amendment to Section 32(1) was "parallel to a similar change made in Section 2(d) of the act." With respect to the deleted word "purchasers" that is correct. But the change was only "similar" in that respect; it was not identical. As an examination of Section 2(d) as originally enacted (60 Stat. 427) shows, the words "as to the source of origin of such goods or services" which were deleted from Section 32(1) were never a part of Section 2(d). Naturally, the Legislative History relative to the change in 2(d) which Petitioner quotes (Pet. p. 19) makes no mention or explanation of the deletion of the words in question, because not having been part of Section 2(d), they were not eliminated from it.

With respect to the words deleted by the 1962 amendment upon which the Court below relied, then, the Legislative History does not contradict the Court below. The Legislative History is totally silent. Since the reading of

the Court below is as straightforward a reading of the amendment as can be imagined, there is no question here meriting review by this Court.

C. Even if the Court below had been wrong, the error would have been harmless. The Court below considered the question only because it had previously

> "* * * held that the findings of a district court as to likelihood of confusion are factual and not to be overturned unless clearly erroneous." Pet. pp. A-10, 11.

While that is a rule sometimes recited in decisions in the Circuit below, it is not the rule followed by other Circuits, is not the better reasoned rule,[20] and has been frequently circumvented or ignored even within the Fifth Circuit.[21]

III

The determination of unfair competition presents no question worthy of review.

Because Dallas has infringed the NHL teams' registered trademarks and violated 15 U.S.C. §1125(a), the Trial Court's determination that Dallas also engaged in unfair competition by virtue of the same acts and conduct scarcely merits review. Indeed, Dallas did not appeal the Trial Court's decision on unfair competition even when there had been no finding of Federal violations, so as to

20. See, *e.g.*, Fleischmann Distilling Corp. v. Maier Brewing Company, 314 F.2d 149, 152 (9th Cir. 1963), *cert. denied* 374 U.S. 830 (1963) and numerous cases cited therein.

21. See, *e.g.*, Squirrel Brand Company v. Barnard Nut Co., 224 F.2d 840, 843 n.2 (5th Cir. 1955), *cert. denied* 350 U.S. 995 (1956); Continental Motors Corp. v. Continental Aviation Corp., 375 F.2d 857, 859 (5th Cir. 1967).

raise the *Sears-Compco* question clearly. There is now, at most, an abstract, academic question raised under the Supremacy Clause when Federal and common law are applied in concert.

Conclusion

For the reasons set forth above, the Petition for Writ of Certiorari should be denied.

Respectfully submitted,

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